

# **RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

## **FINANCE COMMITTEE MEETING**

**Minutes of Meeting held Friday, September 17, 2010 @ 1:30 p.m.**

**Present: Edward Field, Chairperson; Jerome Williams; Thomas Deller; and Rochelle Lee.**

**Also Present: Alfred Moscola; Maureen Neira; Lilly Picchione; and Ellen Mandly.**

### **Agenda Item 1: Approval of Minutes of June 11, 2010 Meeting**

**Mr. Field asked if the members had an opportunity to review the minutes of the June 11, 2010 Finance Committee meeting. The members indicated they had and Mr. Deller moved that the minutes be approved as presented. Mr. Williams seconded the motion and the minutes were unanimously approved.**

### **Agenda Item 2: FY 2011 Operating Budget**

**Ms. Neira began with the FY 2011 operating budget which was last discussed in July when the Board approved the deficit reduction plan to eliminate the projected deficit of \$3.7 million but excluded the proposal for \$650,000 in service reductions. The current budget**

revision in conjunction with the approved reduction plan allows the Authority to reflect a balanced budget.

She discussed the revisions incorporated and outlined in detail in the staff summary such as the revised gas yield from \$4.21 million per penny to \$4,283,344 million per penny for an increase of \$773,046, the revision due to the \$114,000 decrease in debt service, anticipated utility savings of \$114,000, a savings of \$450,000 in pension valuations and a revenue reduction of \$323,231 associated with the Paratransit program. Additionally she incorporated the cost and revenue associated with the Providence Core Connector Study. These revisions along with several smaller modifications, including a deduction in the FY 2010 carryover and budget reclassifications comprised to make the FY 2011 budget balanced.

Ms. Neira discussed the estimates for gas tax revenue which could change several times because the state no longer holds estimating conferences twice yearly. The Department of Revenue has taken over forecasting and she does not yet know how frequently they will make revisions. A discussion ensued among the Committee members and Jerry Williams suggested that staff send a letter to Rosemary Gallogly requesting that updates be issued quarterly.

She said all federal revenues are estimated based on FY 2009 SAFETEA-LU apportionments because a new transportation act has not been approved yet and will remain on a continuing resolution

until the end of December 2010. Ms. Neira used the same figures as last year with the exception of the addition of the one-time ARRA funds.

Next she discussed the expenditures which are tied to the outcome of interest arbitration. In addition both 618A and 808 contracts are expired. She said no wage increases have been budgeted except standard progressions for both union and non-represented employees.

She discussed health insurance and said the budget is based on working rates provided by the State. The rates for active employees are estimated to increase 5.8% over last year. There has been no change in health care copays pending the resolution of arbitration. Ms. Neira said executive bargaining sessions are scheduled for October and Mr. Moscola said the arbitrator will take a couple of months to make the award. Ms. Neira answered questions regarding the how health care claims are paid.

Ms. Neira discussed the funding of the OPEB Trust and said the \$1,000,000 allotment had been removed and RIPTA will continue on the pay as you go method. She also gave a brief history of the OPEB/GASB 45 trust and how it came into existence and the costs to fund it fully.

She said fuel is still an open question and currently budgeted at \$2.60 and the current lock in price is about \$2.84 per gallon. Our current

**diesel contract expires November 30th and the new contract is out to bid and we have asked for a fuel lock in price.**

**Ms. Neira completed her report and Mr. Deller moved that the FY 2011 budget be approved as presented and sent to the full Board. Ms. Lee seconded and the motion passed unanimously.**

### **Agenda Item 3: FY 2012 Operating Budget**

**Next Ms. Neira discussed the FY 2012 Operating Budget and said she sent a letter to Tom Mullaney in the State Budget Office explaining that RIPTA had implemented a fare increase as well as included federal stimulus funds (ARRA) to balance the FY 2011 budget but the stimulus funds of \$3.7 million were a one-time source of revenue and will not be available for 2012. In addition several items must be resolved prior to completing the FY 2012 budget most importantly the interest arbitration with the Amalgamated Transit Union. All this leaves her short \$3.7 million at the start of the year therefore she requested an extension for filing our budget. She reached out to state budget prior to sending the letter and they are agreeable.**

**She briefly discussed the FY 2012 budget and such things as adding an inflation factor amount and new healthcare for older children then completed her report.**

### **Agenda Item 4: Public Comment**

**There were no public comments.**

### **Agenda Item 5: Old Business**

**No old business was discussed.**

### **Agenda Item 6: Adjournment**

**There being no further business Ms. Lee made a motion to adjourn.  
Mr. Williams seconded the motion to adjourn and the meeting was  
adjourned.**

**Respectfully submitted,**

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**Ellen M. Mandly**

**Recording Secretary**